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EFFECTIVENESS OF ECONOMIC SANCTIONS AND THREAT OF SOLUTION BY FORCE IN THE WORLD DIPLOMACY

ЕФЕКТИВНІСТЬ ЕКОНОМІЧНИХ САНКЦІЙ ТА ЗАГРОЗА СИЛОВИХ РІШЕНЬ У СВІТОВІЙ ДИПЛОМАТІЇ

Summary. International sanctions against Iran, North Korea and Russian Federation are considered. Their cases serve as examples of low efficiency of sanctions and diplomacy. It is also noted that economic sanctions usually affect both sides. Besides, the possessing nuclear weapon is a powerful tool of diplomatic influence. In conclusions it is indicated that military instruments are considered as additional elements that reinforces the economic sanctions for further diplomatic negotiations.

Key words: sanctions, threat, aggressor state, military intervention, nuclear state, economical sanctions efficiency

Introduction. After having about a hundred million people lost their lives over the two world wars, the humanity wanted to make sure that it would never happen again. States from all over the globe have united to create an innovative institution, which is meant to keep the world safe and prevent the threats to humankind – the League of Nations, and, later, the United Nations. Since then, countries have been trying to solve international issues diplomatically and peacefully, rather than militarily, as it was before. A country's economies and diplomatic reputation are now more important and influential than having the strongest army. The reason is that living during the age of information and technologies when science blossoms and the world is globalized, highly-developed states denounce most the armed conflicts and wars, and in most of the cases, the aggressor gets the world turned against it. The most frequent tool of international pressure is sanctioning.

While analyzing the issues of contemporary international relations and states' foreign policy at the London School of Economics and Political Sciences (LSE), plenty of discussions were held on the efficiency of economic sanctions. Do sanctions really work the way they are meant to? In this article, author is going to elaborate on this topic. The article is based on researches of leading scientists, international agreements, speeches of officials on economic sanctions and other instruments of international policy and security.

The purpose of the article. To research can sanctions really change the attitude of the aggressor state without a threat of military intervention and what are the types of sanctions and their economic and financial results. The article is aimed to consider this issue by analyzing historical and real-time cases, linked with international sanctions against Iran, North Korea and Russian Federation.

Results.

1. Meaning of “sanctions” and their types

Veteran diplomat Sir Jeremy Greenstock, Britain's ambassador to the UN between 1998 and 2003, says the fundamental reason for the popularity of sanctions is "that there is nothing

else between words and military action if you want to bring pressure upon a government" (Marcus, 2010). Two types that are to be considered in this essay are diplomatic and economic sanctions. According to the Oxford Dictionary for the Business World, the economic sanctions are “actions taken by one country or group of countries to harm the economic interest of another country or group of countries to bring about pressure for social or political change” (Isaacs, Alan, 1994, p. 259). Having the economic sanctions focus mostly on harming a country through the financial pressure, diplomatic sanctions seek cutting ties with a country: e.g. freezing or dismissing the embassy, suspending social and political collaboration. While those types use different tools of influence, they all seek the same goal – to weaken a targeted state in order to make it negotiate and change its policy: “Most often, the goal of sanctions should not be to destroy the target economy but to have the maximum political effect through inducing psychological pressure against its political leaders and populace” (Cortright and Lopez, 1995, p. 37).

1. Expanding sanctions and negotiations – path to result

In fact, some scholars and diplomats doubt the efficiency of sanctions. For instance, they claimed that according to their studies, only 34% of the sanctions cases were successful (Hufbauer, Clyde, Kimberly and Schott, 2008, p.67). One may consider Iran as a perfect example of how sanctions and diplomacy do not always work immediately.

Iran has been under the influence of sanctions since 1979 when the first sanctions were imposed by the United States following the Iranian revolution. Throughout the years until these days, the year 2016, the sanctions on Iran were expanded multiple times, and numerous countries and IGOs have joined the diplomatic process, now in order to restrict Iran from creating and possessing nuclear weapons. Sanctions certainly have affected Iran's economics and domestic social situation, and, most importantly, made the Iran's government negotiate. However, economic sanctions usually affect both sides. Hence, every year both sides lose money and trade opportunities.

According to the report prepared for the National Foreign Trade Council «in the medium-term, lifting US sanctions and liberalizing Iran's economic regime ... could reduce the world price of crude petroleum by 10 percent, saving the United States annually between \$38 billion (at the 2005 world oil price of \$50/bl) and \$76 billion (at the proximate 2008 world oil price of \$100/bl)» (Hufbauer, Clyde, Kimberly and Schott, 2008, p. 96). Opening Iran's market place to foreign investment could also be a boon to competitive US multinational firms operating in a variety of manufacturing and service sectors.

2. Sanctions and isolation

In order to support the latter point about sanctions not being effective enough, one may mention the situation revolving around North Korea. North Korea is totally isolated from the world: it has no trade agreements, no international social programs, it is not a part of any IGO etc. The iron curtain is meant to keep the North Korea's authoritarian policy and ideology within the state and, therefore, keep the neighboring countries safe. Nevertheless, the world is still highly concerned about North Korea and the harm it can potentially do. Japan's envoy to the UN M. Yoshikawa said existing sanctions "have not stopped North Korea from developing nuclear weapons and must be tightened" (BBC News, 2016). This statement followed the launch of a ballistic missile performed by DPRK. Due to not having neither embassies nor free access to the country, almost nobody can know for sure what North Korea is capable of end, for this reason, nobody wants to start a military action, which may look like an only solution in this case.

3. Sanctions and intervention: hand to hand

Realizing the fact that sanctions do not convince Iran to stop doing their nuclear program, the prime minister of Israel, Benjamin Netanyahu, claimed that military intervention is required as soon as possible in order to remove the threat of Iran becoming a nuclear state and, hence, taking over control in the Middle East. Talking to Leon Panetta, the United States' defense secretary, Netanyahu declared: "Right now the Iranian regime believes that the international community does not have the will to stop its nuclear program. This must change, and it must change quickly because the time to resolve this issue peacefully is running out" (Bloomfield, 2012). This is the case when even diplomats, whose aim is to negotiate and avoid the military confrontation, realize that the situation is getting out of hands and a tool stronger than economic and diplomatic sanctions has to be put in force, and this tool is military intervention.

Talking about sanctions going hand to hand with military intervention, one should also mention the situation unfolding in Ukraine. It is hard to argue the fact that possessing nuclear weapons is a powerful tool of diplomatic influence and pressure.

One of the most important events in contemporary history happened back in 1991 – dissolution of the Soviet Union. Three years later, in 1994, Ukraine signed the Budapest Memorandum on Security Assurances, which stated that Ukraine, Belarus, and Kazakhstan joins the Treaty on the Non-Proliferation of Nuclear Weapons and, hence, neither of the listed countries can possess nuclear weapons. In return, nuclear states that have signed the memorandum – the United Kingdom, the Russian Federation, and the United States of America must refrain from the threat or use of force against the sovereignty, territorial integrity, and political independence of Ukraine. The document also states that none of their weapons will be ever used against Ukraine.

Nonetheless, one may witness the major violation of all the articles stated in the paper. Once having the world's third largest nuclear weapons stockpile, after the treaty Ukraine, de facto, became a vassal of Russian Federation. Seeking to satisfy its geopolitical interests, Russia uses every tool to keep

Ukraine and not let it lay a course for Europe. According to the memorandum, other state-guarantors have to intervene; however, this has never happened. The reason is that all the sides that are supposed to be involved – primarily the US and Russia – are nuclear states. Same as it was in the Cuban Missile Crisis, neither of two superpowers want to start the direct confrontation because this will lead to total mutual destruction – if not militarily then through a global economic crisis.

In order to create an illusion of taking actions, the US has imposed the economic sanctions against the Russian Federations and individuals closely linked to the government and president Putin. While president Obama leans towards the diplomatic solution of the crisis, which president Putin de jure supports, de facto Russia acts militarily and succeeds by annexing Crimea and destabilizing the social, economic, and political situation in Ukraine. Yet again, both sides' economies are harmed by the tensions. So, according to an independent Austrian studies, the EU has lost approximately 100 million euros over the trade restrictions placed on Russia (Sharkov, 2015). Taking into consideration the latter case, it is safe to say that nuclear weapons, as one of the most powerful weapons ever invented, are playing the major part in the contemporary, globalized world's diplomacy. Despite all the non-proliferation treaties and agreements, super powers like the Russian Federation and the United States possess more than 7000 nuclear bombs each, and neither of these nuclear states is planning to quit the arms race.

Conclusions

To sum up, the world has been changing rapidly during the last century and, most significantly, the world is globalizing. Regions merge into a federation, states merge into a huge country, sovereign countries merge into unions, and all of them together result in an IGO. At this point, it would be rational to divide a "state" into two parts – the society and the mechanism. The mechanism of the decision making that will determine the life of the society. Some mechanisms work for people, some mechanisms work for the purposes of the system. The latter, usually, considers the population nothing but a resource and, hence, can make crucial, sometimes fatal, decisions. The entire planet is the arena for these systems and mechanisms to compete and foreign policy is the instrument that allows doing so.

Arms, nuclear weaponry, troops, and military unions are all those tools for psychological pressure, and it works flawlessly both for regular people and states' leaders. Whether we want to acknowledge it or not but sanctions are just an attempt to move from barbarous animal's instinct of survival – killing, which is so widespread among humanity, and one can witness it by looking at the amount of lethal weapons existing these days, and at those, which are being developed, to a more humane way, which is required by the rapid development of the world.

Indeed, sanctions are working as a tool of economic and diplomatic pressure, however, it has to have a firm foundation and always be backed by a solid brutal force, which probably will never be used. In our opinion, leaders of the North Atlantic Treaty Organization (NATO) states were following this perception during passing historic resolutions at the 27th NATO Summit, which took place in Warsaw on 7-8th July 2016 (NATO, 2016). It was at the summit that the new strategy of EU-NATO partnership was settled, as a reaction to aggressive Russia's actions in Ukraine, migration crisis, and other challenges. Nevertheless, the strengthening of defense should not be considered as a direct threat to Russia by member states of NATO but as an additional military element, that reinforces the economic sanctions for further diplomatic negotiations.

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Анотація. Розглянуто міжнародні санкції проти Ірану, Північної Кореї і Російської Федерації. Їх кейси служать прикладом низької ефективності санкцій і дипломатії. Також відзначено, що економічні санкції, як правило, впливають на обидві сторони. Крім того, зазначається, що володіння ядерною зброєю є потужним інструментом дипломатичного впливу. У висновках вказується, що військові інструменти розглядаються в якості додаткових елементів, які посилюють економічні санкції і сприяють дипломатичним переговорам.

Ключові слова: санкції, загроза, країна-агресор, військова інтервенція, ядерна держава, економічні наслідки санкцій.

Аннотация. Представлены международные санкции против Ирана, Северной Кореи и Российской Федерации. Их кейсы служат примером низкой эффективности санкций и дипломатии. Также отмечено, что экономические санкции, как правило, влияют на обе стороны. Кроме того, отмечается, что обладание ядерным оружием является мощным инструментом дипломатического влияния. В выводах указывается, что военные инструменты рассматриваются в качестве дополнительных элементов, которые усиливают экономические санкции и способствуют дипломатическим переговорам.

Ключевые слова: санкции, угрозы, агрессором государство, военное вмешательство, ядерное государство, экономические последствия санкций.